

The First Special Session of the 132nd Maine State Legislature finally adjourned Sine Die, or “Without Day,” on Wednesday, June 25, at approximately 5:30 p.m. Finally adjourning the Legislature in daylight, rather than in the early morning hours (often on a Saturday) is unprecedented in the memory of the Preti Legislative Practice Group. As many of you may remember, two years ago, they finally adjourned in late July!

On Tuesday, June 24, the Appropriations Committee (AFA) spent 12 hours moving over a hundred items off the Special Appropriations Table. [Remember – bills that require funding are sent to this Table before being finally enacted in the Senate]. They amended some items to either lower the cost to the General Fund, push back the start dates of proposals so that bills no longer needed funding in the fiscal year starting July 1, change the source of funds, where possible, in order to avoid a cost to the General Fund, or strip the fiscal note entirely on the basis of analysis suggesting the impact will be negligible.

These were almost entirely partisan votes with one or two Republicans joining the Democrats on items of particular importance to them, and which they did not wish to be on record voting against.

The final day of session consisted almost entirely of the Senate and House amending, engrossing, enacting and otherwise passing back and forth the bills from the Special Appropriations Table. Some items were brought off the Unfinished Business on both the Senate and House calendars, and hundreds of bills ended up being carried over to the next session of the Legislature.

## State Budget

After the Democrats passed a majority budget in late March and finally adjourned the First Regular Session, to assure no threat of a state shutdown, Republicans made clear that they would not be supporting any additional budget document coming out of the Legislature this year.

The “continuing services budget,” as the Democrats called it, passed in March without Republican support. The same is true of the Biennial Budget, or Part II Budget, on June 18. The first budget passed amounted to \$11.3 billion, while the second budget included an additional \$320 million. Thus, there is disagreement between the parties as to how the budget documents should be described.

The budget passed on June 18 included all the FY 26/27 MaineCare funding not included in the first budget document. It also included additional funding for COLAs for direct care workers, nursing homes, hospitals, family planning, general assistance, and childcare subsidies. Additional funding for family planning and emergency shelters was also funded through bills that were on the Special Appropriations Table.

AFA also rejected language in the budget that would have allowed the Department of Health and Human Services (DHHS) to simply not fund any services in statute if they find they have “insufficient funds.” The Administration already has this power by making explicit cuts to programs

and services in a budget proposal and using “notwithstanding” language. The proposed language would have offered DHHS the ability to not meet the requirement in the recent settlement in which the State is found to not be meeting the standards for consumers of behavioral health services according to current statute. It also would have put into statute that DHHS is allowed to do what they already did by simply not funding the FY 25 COLAs as current law requires, and would have significantly changed the rate setting process providers of services and the department worked diligently together to pass into law 4 years ago.

While the AFA Committee, and the relevant policy committees, rejected the Governor’s pharmacy and ambulance taxes, AFA increased the Governor’s \$1 per pack tobacco tax to \$1.50, applied the 5% streaming tax to all streaming services, and increased the real estate transfer tax on the portion of a sale over \$1 million.

There was an attempt by some Republican legislators and advocates to force a citizen’s referendum on the budget passed in March. If this effort had turned in enough signatures to take this issue to a vote in November, that budget would not have been implemented until the results of that election were certified. Thus, the State would have shut down for over 6 months. Thankfully, this effort was not ever given the support needed to gather enough signatures.

There appeared to be the possibility of a bond package within the last month or so centered around [Senate President Daughtry’s Agricultural Bond](#). However, given that the Democrats on AFA removed the funding for the debt service from the budget and the general lack of goodwill between the parties, there was no appetite to proceed. All the bonds were carried over to the next session.

### **Other Issues of Significance**

The most significant data privacy proposal, [LD 1822](#), which would impact how and what types of personal information businesses can use for marketing purposes, was carried over for additional work after being tabled in the House. Governor Mills had voiced concern with both privacy bills voted out of committee and indicated they would face a veto if not further amended before hitting her desk for approval.

The effort to allow the [direct shipping of distilled spirits](#) to a consumer’s home ultimately failed in a close vote in the House. This effort to go around Maine’s well established 3-tier system over the protestations of Maine’s roughly 450 brick and mortar licensed liquor stores was led by the out-of-state national distillers but also supported by the roughly twenty local craft distillers in Maine. Given the opposition of the public health community and so many small businesses with local employees, it was surprising how many legislators voted to support this effort.

The bill putting forth a compromise agreement on changes to Maine’s extended producer responsibility (EPR) regulations, [LD 1423](#), has been signed into law. These positive changes will eliminate duplicative taxation on manufacturers through the EPR program, recognize post-industrial and “broke” materials in the definition of pre-consumer recycled content for the purposes of reaching content benchmarks, exempt materials that are prohibited from containing PRC content

by state or federal regulations from counting against reaching content benchmarks, align Maine's definition of "producer" with that of other states to provide more clarity, and eliminate UPC requirements for producer reporting purposes.

The Legislature also considered and enacted significant legislation on energy matters. The Governor's proposal, [LD 1270](#), to elevate her Energy Office to a cabinet-level department is now law and gives the new Department of Energy Resources authority to propose new biennial procurement of renewable and clean energy. Other energy procurements to promote reuse of contaminated land and to prop up certain existing generators became law, as did a new Clean Energy Standard bill, [LD 1868](#), which will increase Maine's existing renewable portfolio requirements on ratepayers, while also establishing a new Class III for clean resources, which are expected to include nuclear energy generators.

The cost of Maine's current Net Energy Billing program was also addressed by the Legislature this year in two bills. The first, [LD 1777](#), began as a bipartisan effort to reduce the future costs of the program, while ensuring that a more cost-effective successor program would be put in place. While some solar developers joined ratepayer advocates to develop the language of the bill, other developers opposed it throughout. It remains to be seen if LD 1777 will be successful in reducing costs while ensuring new distributed solar development. The second NEB-related bill was [LD 1792](#), which was proposed to address the allocation of existing and future NEB costs among ratepayers. A coalition of large and medium sized consumers and business associations joined with organized labor to develop a cost allocation that fairly distributes costs between Maine's rural and urban ratepayers, as well as between businesses.

Preti's Energy attorneys were active on these energy proposals, as well as most significant legislation from the Energy, Utilities & Technology Committee. For advice on how these bills will affect your electricity bill in the future, please contact [Steven Hudson](#).

Another highlight was the passage of several key tax credit bills, including [LD 1951](#), which increases an income tax credit to encourage expansion of existing and new investments in potato processing in Aroostook County, and [LD 1755](#), which adds an additional 10% to the historic tax credit for projects located in rural areas with at least 1/3 housing.

There was a [concentrated bipartisan effort to improve Maine's Paid Family and Medical Leave program](#). Unfortunately, all such efforts, including reimbursing Maine businesses who are paying into the state fund but have chosen to sign up for private coverage, failed to get significant support from legislative Democrats.

The Democrats also led passage of [a new law requiring a minimum of two hours of pay](#) if one shows up to work when scheduled to do so, but the employer does not wish them to stay and has not notified the employee beforehand. This does include various exemptions, including one for seasonal businesses.

Democrats also led passage of legislation requiring [agricultural workers to be paid at least the minimum wage](#) for their work, even if they are working at piece rate and not producing enough within that system to meet that threshold. This bill was a product of negotiations with the Mills Administration, the agricultural industry, and interested legislators.

On the gambling front, the Legislature barely passed [LD 1164](#), which would allow Maine's tribes to exclusively offer iGaming. iGaming is internet gambling, which is in effect putting casinos (including slot machines) on our phones. However, the Governor is expected to veto LD 1164. Additionally, the Legislature killed an effort in [LD 1838](#) for thousands of slot machines to be allowed at harness racing tracks, tribal facilities, off track betting parlors, and hundreds of nonprofits.

There were a couple dozen cannabis related bills worked in the Veterans and Legal Affairs Committee, including efforts to loosen regulations further, increase the criminalization of illegal grows, better assure the safety of cannabis products, and create a [new Cannabis Advisory Council](#). Most of these bills died or were carried over, but some changes were made and the new Council was created.

One of the proposals to [track and trace and test cannabis](#) in the medical cannabis program was carried over to next session to allow the Committee to work on this issue with stakeholders during the off session period. If passed, this will strengthen law enforcement's ability to shut down illegal growing operations and will allow banks and credit unions to serve businesses in the medical cannabis space. Additionally, a proposal to create an alternative tracking system, [LD 1672](#), was killed.

The Legislature also acted to regulate beverages containing THC derived from hemp. They passed [a bill restricting the purchase of beverages containing more than 0.3 % THC to anyone under the age of 21](#). The Governor also submitted [a more comprehensive bill](#) very late in the session that has been carried over.

The [Maine Artificial Intelligence Task Force](#) appointed by the Governor in 2024 and having convened this year will continue to meet throughout the summer and fall. The report on recommendations for policy and best practices related to AI are to be presented in October.

The meetings so far have been very positive in terms of the members' perceptions and experiences related to the potential benefits of AI. The group has broken down into sub-committees around such issues as education, business, healthcare, etc. with the smaller groups presenting their findings to the larger groups. While everyone knows vigilance is needed to assure AI is not misused and abused, everyone involved seems to understand how important it is for Maine to embrace the potential of AI as a tool and to prepare Maine so as not to be left behind. (AI wrote this part.)

## Looking Ahead

The Senate may come in for a confirmation session in August or September. The Appropriations Committee and Legislative Council are expected to meet monthly. Also, like the AI Task Force mentioned above, various studies and commissions will continue to work throughout the summer

and fall. Preti will be engaged with all such relevant activities on your behalf.

The Second Regular Session of the 132nd Legislature will be convened on Wednesday, January 7, 2026. **Cloture for next session will be Friday, September 26 at 4 pm.**

The Preti team will be checking-in with you about possible bills needed and other issues. If new legislative proposals are needed, we will work with you to identify the best sponsors and co-sponsors and begin discussing the strategy to obtain the six votes needed to get the bill through the Legislative Council.

Please do not hesitate to reach out to us with any questions or concerns.

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